105-07589/

Utility Bundle Report 2004

Government made a commitment that Saskatchewan families will enjoy the lowest-cost bundle of basic utility rates in Canada every year. The bundle includes residential electricity and natural gas, basic phone service, and auto insurance. Comparisons conducted throughout 2004 showed that Saskatchewan's total bundle cost for the year would be second lowest unless action was taken. CIC determined that by providing a rebate of $137 to 380,000 Saskatchewan households, government would meet its commitment for the lowest-cost utility bundle for 2004. An independent third party, the accounting firm of Meyers Norris Penny, confirmed CIC's findings.

2004 Provincial Utility Bundle Cost Rankings

Provinces	Total Bundle Cost	CIC Utility Bundle Rebate	Total Bundle Cost With CIC Rebate	Variance to Sask.	Rank
British Columbia	$ 3,662		$ 3,662	$ 503	3
Alberta	4,291		4,291	1,132	5
Saskatchewan	**3,296**	**($137)**	**3,159**	**0**	**1**
Manitoba	3,160		3,160	1	2
Ontario	5,834		5,834	2,675	10
Quebec	4,127		4,127	968	4
New Brunswick	4,797		4,797	1,638	7
Nova Scotia	5,323		5,323	2,164	8
Prince Edward Island	4,654		4,654	1,495	6
Newfoundland	5,718		5,718	2,559	9

Notes:
The table shows the weighted average rates for major centres, rural and northern communities in each province. Costs are for the full calendar year. The calculations do not represent actual consumption charges in each jurisdiction. They represent Saskatchewan's consumption patterns with each jurisdiction's rates.

Calculations for individual bundle components were based on the annual cost for:

- a single line residential touch-tone phone;
- 8,160 kilowatt hours of electricity (average annual consumption for residential use);
- 3,550 cubic metres of natural gas (average annual consumption for residential use); and
- insurance for a composite of the most common vehicles registered in Saskatchewan and a selection of driver profiles.

These costs include any natural gas or electricity rebates, and any auto insurance discounts such as good driver discounts. The costs do not include municipal surcharges or provincial or federal taxes.

Telephone, electricity, natural gas and auto insurance charges reflect the rates that were in effect from January 1 to December 31, 2004. The exceptions are the BTU heating equivalent charge for fuel oil in the Maritimes (based on the average fuel oil costs for 2004), and the electric heating equivalent for The Pas, Manitoba (based on the electrical rates in effect during 2004).

Rebate Program

CIC developed and administered the utility bundle rebate program. Most households received the rebate automatically on their residential SaskTel phone bill in December. Those who did not, were able to apply to have the rebate put on their power or energy bill. Deadline for receipt of applications was March 31, 2005. Cash rebates were not provided.

Cabinet approved the following criteria for eligibility for the rebate:

- a household was defined as "a family living in a private residential dwelling that is their principal residence";
- the residence had to have an active utility account (telephone, power or energy) on November 6, 2004;
- there was only one rebate per household, regardless of the number of dwellings owned (for example, cottages did not qualify);
- only the family living in the household, and which consumed the utilities, was eligible; not the dwelling owner or landlord;
- people renting or residing in a private and separate living space within a residential dwelling, could be eligible if they had a separate utility account(s); and
- business accounts did not qualify for the rebate.

CIC's costs for the rebate program were $52.0 million to December 31, 2004.

Outlook for 2005

CIC will continue to monitor utility rates across Canada during 2005. A rebate will likely be required again to ensure that Saskatchewan's utility bundle cost for 2005 is the lowest in the country. The amount of the rebate is expected to be determined by November. At that time, CIC is also expected to announce improvements to the rebate program, which would include providing more information about:

- the eligibility criteria;
- the effective date for utility service;
- the application process;
- the deadline date for CIC to receive applications; and
- the toll free number for inquiries about the program.

CIC

Crown Investments Corporation of Saskatchewan

400 - 2400 College Avenue
Regina, Saskatchewan
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Inquiry: (306) 787-6851
Web site: **www.cicorp.sk.ca**

Printed in Saskatchewan, May 2005

Saskatchewan Centennial 2005

Saskatchewan's Crown Corporations

Summary Annual Report 2004
&
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Crown Investments Corporation of Saskatchewan

Policy and Program Highlights

- Provided a utility bundle rebate of $137 to 380,000 Saskatchewan households in December.
- Provided $80 million in special dividends to the province's General Revenue Fund (GRF) – $75 million for the Canadian Agricultural Income Stabilization (CAIS) program, and $5 million for Centennial celebrations.
- Improved accountability measures for the Crowns, including: tabling annual reports on different days rather than on the same day; reporting quarterly financial results; mailing a Summary Annual Report to all homes in Saskatchewan; and providing more detailed information about sponsorships, and payments to employees and suppliers.
- Established a bursary program for undergraduate aboriginal students at the University of Regina and First Nations University of Canada, and provided 34 bursaries in 2004.
- Hired 15 interns in the Crowns through the Gradworks program for recent post-secondary graduates (the program was formally announced in February 2005).
- Established a policy for independent third party reviews of proposed significant new investments.

Minister's Message

It is my pleasure to report to you that Saskatchewan's Crown corporation sector had an excellent year in 2004. It was a year of strong financial performance, and of accomplishment in the areas of public policy, programs, and accountability. A year of renewal, 2004 saw the arrival of new CEOs at all of our major corporations. This new leadership will help our Crowns identify the opportunities, and meet the challenges, of the coming years.

Public ownership of our Crown corporations allows for the expenditures that are important to Saskatchewan citizens while providing safe, reliable, high quality services at the lowest rates in the country. In 2004 we kept our commitment to Saskatchewan families that they will enjoy the lowest costs in Canada for a bundle of basic utilities. We ensured this by providing a rebate of $137 to approximately 380,000 Saskatchewan households in December.

We made tremendous progress in 2004 on our commitment to hire more young people, and more First Nations and Metis people, in our Crown corporations. An exciting new program, Gradworks, provides internships in our Crowns for recent post-secondary graduates. We believe it is essential to provide opportunities for the young people of Saskatchewan that enable them to build their futures and their families with confidence in our province.

In this summary we are pleased to provide you with some highlights of the Crown sector in 2004. As we celebrate Saskatchewan's Centennial in 2005, it is important to reflect on these contributions so we can prepare our Crowns for the future. Ours is a wonderful province, and our Crown sector is leading the way for 100 more Years of Heart.

Pat Atkinson
Minister of Crown Management Board

Summary Annual Report 2004

Saskatchewan Centennial 2005

Collectively, CIC and its subsidiaries are known as the Crown corporation sector. Their combined financial results are reported in the Consolidated Financial Statements in CIC's 2004 Annual Report. Their fiscal year is January 1 to December 31.

Crown Sector/Consolidated Results

2004

President of CIC	Tom Waller, Q.C.
Assets	$8.1 billion
Debt at year end	$3.4 billion
Debt ratio (ratio of consolidated debt to debt plus equity)	30.7 per cent
Capital spending	$1.0 billion
Revenue	$4.1 billion
Profit	$312.1 million
Return on equity (ratio of earnings to the average amount of shareholder's equity)	9.6 per cent
Dividend to GRF	$268.0 million

Historical

Debt reduction since 1995	$1.2 billion
Dividends and equity repayments since 1995	$2.1 billion

For more information, see CIC's 2004 Annual Report at **www.cicorp.sk.ca**

SaskPower

SaskPower was established as the Saskatchewan Power Commission in 1929 to provide safe, reliable, cost effective power to Saskatchewan people. Today, SaskPower is the principal supplier of electricity in Saskatchewan. It generates, purchases, transmits, distributes and sells electricity and related products and services to more than 419,000 residential, farm, industrial and commercial customers.

2004 Snapshot

President	Patricia Youzwa
Total employees	2,397
Assets	$3.8 billion
Revenue	$1.26 billion
Profit	$66.4 million
Capital spending	$300.6 million
Community donations	$1.5 million
Debt ratio	58.2 per cent
Dividend to CIC	$59.8 million
Local purchasing (includes employee earnings)	$898 million
Local suppliers supported	5,000
Return on equity	4.8 per cent
Web site:	**www.saskpower.com**

SaskTel

SaskTel was established as the Department of Railway, Telephones and Telegraphs in 1908. Its goal was to provide cost effective service to as many farms, homes and businesses as possible. The corporation is now recognized as a leading communications company. SaskTel provides 425,000 residential and business customers with competitive voice, data, dial-up and high speed internet, wireless, digital television and e-business solutions.

2004 Snapshot

President	Robert Watson
Total employees	3,800
Assets	$1.2 billion
Revenue	$932.4 million
Profit	$94.5 million
Capital spending	$123.1 million
Community donations	$2.6 million
Debt ratio	26 per cent
Dividend to CIC	$88.0 million
Local purchasing (includes employee earnings)	$549 million
Local suppliers supported	1,900
Partners	140 dealers in 50 locations
Return on equity	14 per cent
Web site:	**www.sasktel.com**

SaskEnergy

Saskatchewan's provincially owned natural gas system began operations in 1952. SaskEnergy was formed in 1988 to continue providing natural gas transmission and distribution services across the province. The system has grown substantially, with service now extended to more than 90 per cent of Saskatchewan communities. Today, SaskEnergy provides safe, reliable and economical natural gas service to more than 327,000 residential, farm, commercial and industrial customers in the province.

2004 Snapshot

President	Doug Kelln
Total employees	975
Assets	$1.3 billion
Revenue	$704.5 million
Profit	$107.8 million
Capital spending	$67.8 million
Community donations	$1.4 million
Debt ratio	68 per cent
Dividend to CIC	$70.0 million
Local purchasing (includes employee earnings)	$102.5 million
Local suppliers supported	3,675
Partners	145 independent plumbing and heating contractors in 65 communities
Return on equity (SaskEnergy)	11.0 per cent
Return on equity (TransGas)	15.2 per cent
Web site:	**www.saskenergy.com**

SGI

SGI was established in 1945 to provide affordable, quality insurance to Saskatchewan people. Under the trade name SGI CANADA, it conducts a competitive property and casualty insurance business offering a comprehensive line of home, tenant, farm, automobile extension and commercial coverage. SGI also acts as the administrator of the Saskatchewan Auto Fund, the province's compulsory auto insurance program – a not for profit operation which does not receive money from, or pay dividends to, the province.

2004 Snapshot

	SGI CANADA	Auto Fund
President	Jon Schubert	
Total employees	1,326	
Assets	$534.1 million	$1.1 billion
Revenue	$294.8 million	$597.1 million
Profit	$41.7 million	$125.3 million
Capital spending	$0.9 million	$1.8 million
Community donations	$501,000	
Net risk ratio	2.7	N/A
Dividend to CIC	$27.1 million	N/A
Local purchasing (includes employee earnings)	$352 million	
Local suppliers supported	2,051	
Partners	437 independent licence issuers, most of whom are SGI CANADA insurance brokers	
Rate Stabilization Reserve Balance	N/A	$140.1 million
Return on equity	42 per cent	N/A
Web site:	**www.sgi.sk.ca**	

Policy and Program Highlights

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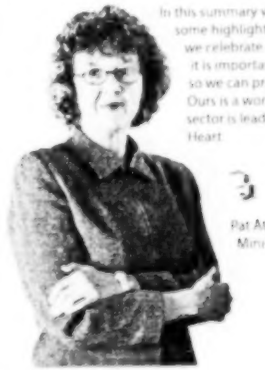

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2004 Snapshot

President	Daryl Reith
Total employees	975
Assets	$1.3 billion
Revenue	$704.5 million
Profit	$107.8 million
Capital spending	$67.8 million
Community donations	$1.4 million
Debt ratio	68 per cent
Dividend to CIC	$70.8 million
Local purchasing (includes employee earnings)	$102.5 million
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2004 Snapshot

	SGI CANADA	Auto Fund
President	Jon Schubert	
Total employees	1,526	
Assets	$514.1 million	$1.1 billion
Revenue	$298.8 million	$587.1 million
Profit	$41.7 million	$125.3 million
Capital spending	$0.4 million	$1.8 million
Community donations	$50,000	
Net risk ratio	2.7	N/A
Dividend to CIC	$27.1 million	N/A
Local purchasing (includes employee earnings)	$152 million	
Local suppliers supported	2,051	
Partners	417 independent licence issuers, most of whom are SGI CANADA insurance brokers	
Rate Stabilization Reserve Balance	N/A	$140.1 million
Return on equity	42 per cent	N/A
Web site	**www.sgi.sk.ca**	